

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, DECEMBER 18, 2007**, upon the application of **SGS NATURAL GAS OPERATING, LLC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **James Lime Formation, Reservoir B**, Trenton Field, DeSoto Parish, Louisiana.

1. To establish rules and regulations and create one (1) drilling and production unit for the exploration of and the production of gas and condensate from the James Lime Formation, Reservoir B.
2. To force pool and integrate all separately owned tracts, mineral leases and other property within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in unit production on a surface acreage basis of participation.
3. To authorize special field spacing for horizontal wells drilled to the James Lime Formation, Reservoir B, in the Trenton Field, which would provide: (a) that the penetration point of any such horizontal lateral well should be located no closer than 330 feet to any unit boundary; (b) that the distance from any point along the productive portion of the any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled should be not less than 660 feet; and (3) that there be no well spacing limitations between wells other than that accomplished by application of the aforesaid provisions.
4. To provide that the gas allowable provisions of Statewide Order No. 29-F. LAC 43:XIX.2101 et seq., should not apply to horizontal wells drilled to the James Lime Formation, Reservoir B, in the Trenton Field, but that all such wells should be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing waste.
5. To designate SGS Natural Gas Operating, LLC as the unit operator and their Rocking G. Farms 22 No. 1 Well as the unit well for the proposed JA RB SUA.
6. To provide that the Commissioner of Conservation should be authorized to reclassify the James Lime Formation, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence is submitted to and accepted by the Commissioner of Conservation.
7. To consider such other matters as may be pertinent.

The James Lime Formation, Reservoir B, was defined in Office of Conservation Order No. 1199-B, effective September 19, 2007, in the Trenton Field, DeSoto Parish, Louisiana.

A plat is available for inspection in the Office of Conservation in **Baton Rouge and Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

11/13/07;11/18/07

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.